

Family Allowances

The Chairman: Does the committee agree to authorize the parliamentary secretary to present the schedule to the committee for inclusion in today's *Hansard*?

Some hon. Members: Agreed.

[*Editor's Note: For table above referred to, see Appendix "A".*]

● (2132)

Mr. Stevens: Mr. Chairman, I take it this is acceptable to the committee. Could the parliamentary secretary give us some photostat copies of what presumably will be appearing in *Hansard*?

Mr. Martin: I would be pleased to do that if I can arrange it through the services of the House at this time.

Mr. Stevens: While the services of the House are being arranged for, perhaps I could ask the parliamentary secretary a few questions on those statistics which I have not seen as yet. Could he tell us the specific year to which the \$810 million refers in so-called tax cuts? What year is involved?

Mr. Martin: That relates to the year 1979-80.

Mr. Stevens: That is the fiscal year 1980. Could the parliamentary secretary give us similar figures for the ensuing four fiscal years, indicating what the government anticipates will be the tax cut or saving for each of those years?

Mr. Martin: Mr. Chairman, we do not have those figures available at this time. This would depend on many factors including the rate of inflation and various other things. I do not have those figures available.

Mr. Stevens: Mr. Chairman, I think prior to the passage of this legislation it would be important that the government supply us with its forecasts or projections as to what those tax cuts will amount to not only in the fiscal year 1980 but in the ensuing four years. The Minister of Finance said that the financing of this tax cut would take various forms, and the largest item of the savings in federal expenditures amounting to approximately \$690 million a year had reference to the reduction in the family allowance from \$25 and some cents to \$20. Will the parliamentary secretary confirm that the statistics we will be receiving in due course give a more precise breakout as to how the \$690 million expenditure reduction is arrived at and, secondly, what year this refers to?

Mr. Martin: Mr. Chairman, we are talking about the same fiscal year, 1979-80. Of course, the amount payable in January will be \$20 plus the indexed amount. I believe that will work out to \$28.80. The hon. member for York-Simcoe made reference to \$20. It will actually be \$28.80, but it will be less, of course, than what the amount would otherwise be, indexed on the basis of \$26.

Mr. Stevens: I am not sure I understood the parliamentary secretary correctly. The clause that specifically refers to this in the bill before us is clause 10, which states that notwithstand-

[Mr. Martin.]

ing subsection (1), the amount of family allowance to be paid for a month in 1979 will be \$20. The parliamentary secretary says it will be \$28.

An hon. Member: With indexing it would have been that. The saving is the difference between \$28.80 and \$20.

Mr. Martin: Mr. Chairman, I would like a couple of minutes to go into this a little further. The figure will actually be indexed on the basis of \$20. The \$28.80 is what it would have been, indexed on the previous amount. With the reduction it is brought down to \$20. I would like to check this out further and get back to the hon. member, if I may, a little later in the debate.

Mr. Stevens: Let me remind the parliamentary secretary that we are dealing with hundreds of millions of dollars. I should have expected that with three officials sitting before him the answers to these elementary questions would be pretty readily forthcoming.

Perhaps I could put this question to the hon. member. It is certainly my understanding that, notwithstanding the possible indexing to a level of \$28.80, the effect of clause 10 would be to reduce the 1979 monthly payment to \$20, which the Minister of Finance states will result in a saving of \$690 million. That presumably begins in calendar year 1979, which will mean it will be felt in fiscal year 1980. What will be the effect in fiscal year 1981?

Mr. Martin: As I indicated earlier, Mr. Chairman, we do not have the figures beyond 1980. It has not been past practice to make public the figures beyond one year's calculation, and we do not have them in respect of this bill.

Mr. Stevens: Let me put this to the parliamentary secretary. Is it not a fact that the effect of this bill is to reduce from \$28.80 to \$20 per month the family allowance during 1979? If you read the Family Allowances Act, unless a subsequent bill is passed the old indexed family allowance level will be revived in every ensuing year; is that right?

Mr. Martin: I would just like to clarify a point made earlier. The payments will be \$20 as of January, 1979. They will then be indexed in subsequent years in the normal way on a base of \$20 per month.

Mr. Stevens: Mr. Chairman, I would ask that the Minister of National Health and Welfare and the parliamentary secretary double-check that, because on reading the act it does not appear to be clear that indexing will take place in respect of only the \$20 allowance. The amendment proposed in clause 10 is that, notwithstanding subsection (1), to which I referred, the amount of the family allowance to be paid per month in 1979 will be \$20. If you read the section being amended it seems very clear that indexing is on the base as set out in 1974 and that it will continue in that way.

Mr. Martin: Mr. Chairman, the understanding is quite clear that the payment will be \$20 for 1979 and indexing will take place in the normal way. In 1980 the payments will be higher,